

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:	PROMESA
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	Title III
as representative of	No. 17 BK 3283-LTS
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> ,	(Jointly Administered)
Debtors. ¹	

ALTERNATIVE DISPUTE RESOLUTION NOTICE

Service Date:

Designated Claimant(s):

Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

RESPONSE DEADLINE:

This Notice only applies to the Designated Claim Number listed above. You should read the Notice carefully and discuss it with your attorney. If you do not have an attorney, you may wish to consult one.

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA", and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the "Debtors") (Bankruptcy Case No. 19-BK-5532-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

If you have any questions, please contact **Prime Clerk LLC at (844) 822-9231 (toll free for U.S. and Puerto Rico) or (646) 486-7944 (for international callers)**, available 10:00 a.m. to 7:00 p.m. (Atlantic Standard Time) (Spanish available).

— **Why am I receiving this notice?** You have filed the claim(s) referenced above (which is referred to in this Notice as the “Designated Claim(s)”) in [Debtor]’s Title III case. The Debtor believes that the Designated Claim(s) is invalid or overstated in whole or in part, and is prepared to offer to agree with you to a lower stated claim amount (in other words, to “settle” the amount of your Designated Claim(s)) instead of starting proceedings asking the Court to reduce or eliminate your claim. **This Alternative Dispute Resolution Notice includes the Debtor’s settlement offer to you in Section I below.**

Overview of the ADR Process. By this Alternative Dispute Resolution Notice (“ADR Notice.”), the [Debtor] hereby submits the above identified claim(s) (the “Designated Claim(s)”) in the [Debtor’s] Title III case to alternative dispute resolution, pursuant to the procedures (the “ADR Procedures”) established by the *Order (A) Authorizing Alternative Dispute Resolution Procedures, (B) Approving Additional Form of Notice, and (C) Granting Related Relief*, entered by the United States District Court for the District of Puerto Rico (the “Title III Court”) on [DATE]. A copy of the ADR Procedures, which describe all of the methods that may be used to decide the stated amount of (or “liquidate”) your Designated Claim(s), is enclosed for your reference. **Please review the ADR Procedures carefully.**

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— **Settlement Offer.** A Settlement Offer is included in Section I below. You must respond to the Settlement Offer by either accepting, rejecting, or providing a counteroffer. If you and the [Debtor] do not reach an agreement, your claim will be sent to **evaluative mediation**, where further settlement efforts will be assisted by a Mediator. See Section [] of the ADR Procedures. You must state whether, if those efforts fail, you agree to proceed with your claim either through **binding arbitration**, or, if you qualify, **litigation in the Commonwealth courts** (as described below). See Sections [] of the ADR Procedures. If you do not choose either of those options, or if all parties do not agree to your chosen option, your claim will be resolved in this Title III Court under the procedures described in Section [] of the ADR Procedures.

SETTLEMENT OFFER. The [Debtor] has reviewed your Designated Claim(s) and, pursuant to the ADR Procedures, offers the amount(s) set forth in Section I below as a general unsecured nonpriority claim in full and final settlement of the stated amount of your Designated Claim(s) (the “Settlement Offer”). **Please note that the amount of the settlement offer is Settlement Offer and any amount you may agree to may NOT be the amount you will actually receive under a confirmed plan of adjustment.** The treatment of your claim will be determined by the plan of adjustment. **It is possible that the amount you will be paid under the plan on account of your claim will only be a fraction of the amount of your claim.**

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— **You Must Respond to This Notice.** You must return this ADR Notice [to Prime Clerk] with a Permitted Response (as defined below) to the Settlement Offer by no later than the Response Deadline listed above.

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In addition, if you are rejecting the Settlement Offer or making a counteroffer, to the extent that your most recent proof(s) of claim does not: (a) state the correct amount of ~~or~~ your Designated Claim(s); (b) expressly identify each and every cause of action and legal theory on which you base your Designated Claim(s); (c) include current, correct and complete contact information of your counsel or other representative; or (d) provide all documents on which you rely in support of your Designated Claim(s), you ~~MUST~~ must provide all such information and documentation with your Permitted Response to this Notice.

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~~If you do not return this ADR NOTICE WITH THE REQUESTED INFORMATION AND A PERMITTED RESPONSE TO THE SETTLEMENT OFFER [TO PRIME CLERK] SO THAT IT IS RECEIVED BY THE DEADLINE TO RESPOND, YOU WILL BE DEEMED TO HAVE REJECTED THE SETTLEMENT OFFER AND THE LIQUIDATION OF YOUR DESIGNATED CLAIM(S) WILL ADVANCE TO THE EVALUATIVE MEDIATION PHASE OF THE Notice with the requested information and a Permitted Response to the Settlement Offer [to Prime Clerk] so that it is received by the deadline to respond, you will be deemed to have rejected the Settlement Offer and the liquidation of your Designated Claim(s) will advance to the evaluative mediation phase of the ADR PROCEDURES, AS SET FORTH IN SECTION [] OF THE Procedures, as explained in Section [] of the ADR PROCEDURES procedures.~~

Binding Arbitration or Commonwealth Court Litigation. ~~YOU ARE REQUIRED TO INDICATE EXPRESSLY WHETHER YOU CONSENT TO BINDING ARBITRATION OF YOUR DESIGNATED CLAIM(S). PLEASE NOTE THAT IF YOU ELECT TO PARTICIPATE IN BINDING ARBITRATION, YOU WILL BE REQUIRED TO PAY 50% OF THE COST FOR THE ARBITRATOR'S SERVICES. If you elect to participate in binding arbitration, you will be required to pay [\$] for the Arbitrator's services If you do not accept the Settlement Offer, you are required to state in Section II below whether you consent to binding arbitration of your Designated Claim(s) or to having the amount of your Designated Claim resolved by litigation in the Commonwealth Courts. You cannot consent to both. If you do not consent to either, your claim will be resolved in this Title III Court.~~

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Binding Arbitration

~~The Debtor(s) [have/have not] consented to submit your Designated Claim(s) listed above to binding arbitration. IN SECTION II BELOW, PLEASE COMPLETE THE BOX TO INDICATE WHETHER YOU DO OR DO NOT CONSENT TO BINDING ARBITRATION. IF YOU DO NOT COMPLETE THE BOX BELOW, YOU WILL BE DEEMED TO HAVE REJECTED BINDING ARBITRATION WITH RESPECT TO YOUR DESIGNATED CLAIM. PLEASE NOTE THAT ONCE YOU HAVE CONSENTED TO PARTICIPATE IN BINDING ARBITRATION, YOUR CONSENT TO BINDING ARBITRATION CANNOT SUBSEQUENTLY BE WITHDRAWN. In binding arbitration, the arbitrator (rather than a court) will decide the stated amount of your claim. Please note that if you elect to participate in binding arbitration, you will be required to pay[\$], which is 50% of the cost for the arbitrator's services, as well as the fees of your own lawyer (if any) and any incidental costs that you incur. Note that binding arbitration will only take place if all parties, including [Debtor], agree to submit the dispute to arbitration.~~

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____ You are required to indicate in Section II below whether you agree to binding arbitration. Once you have consented to participate in binding arbitration, your consent to binding arbitration cannot be withdrawn. In addition, if you have previously consented in writing, either before or after [Debtor's]Debtor's Title III case was filed, to binding arbitration as a means to resolve your ~~claim~~claims(s) against [Debtor], any attempt to opt out of binding arbitration in response to this Notice shall be ineffective.

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____ Details regarding the arbitration process are set forth in Section [] of the ADR Procedures.

____ [The Debtor(s) will consent to liquidate your claim before the Commonwealth's courts, subject to the restrictions set forth in the ADR Procedures.] If you do not elect to participate in binding arbitration, you may instead elect to liquidate have the stated amount of your claim determined by the Commonwealth courts.

Commonwealth Court Litigation

The Debtor(s) [have/have not] consented to have the stated amount of your claim before the Commonwealth's courts. If you wish determined by the Commonwealth courts, subject to the restrictions set forth in the ADR Procedures. You are required to liquidate your claim before the Commonwealth's courts, you should so indicate in Section II of this form below whether you agree to have your claim amount determined by the Commonwealth courts.

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IF YOU HAVE ALREADY CONSENTED TO BINDING ARBITRATION, YOU MAY NOT ALSO ELECT TO LIQUIDATE YOUR CLAIM BEFORE THE COMMONWEALTH'S COURT. IF YOU INDICATE BOTH CONSENT TO BINDING ARBITRATION AND CONSENT TO LIQUIDATE YOUR CLAIM BEFORE THE COMMONWEALTH'S COURTS, YOU WILL BE DEEMED TO HAVE ELECTED BINDING ARBITRATION.

____ Details regarding liquidation before the Commonwealth's courts are set forth in Section [] of the ADR Procedures.]

If you indicate both consent to binding arbitration and consent to resolving the amount of your claim before the Commonwealth courts, you will be deemed to have elected binding arbitration. If you do not choose either, you will be deemed to have elected to proceed before this Title III Court.

Section I: Settlement Offer.

[Debtor] offers you an allowed general unsecured nonpriority claim in the amount of [\$____] against [Debtor] in full satisfaction of your Designated Claim(s), to be satisfied in accordance with any plan of adjustment of debts confirmed and implemented in [Debtor's] Title III case.

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The only permitted responses ("Permitted Responses") to the Settlement Offer are: (a) acceptance of the Settlement Offer, (b) rejection of the Settlement Offer, or (c) rejection of the Settlement Offer coupled with a counteroffer (a "Counteroffer"). Information regarding Counteroffers is available in Section ___ of the ADR Procedures.

- (a) acceptance of the Settlement Offer,
- (b) rejection of the Settlement Offer, or
- (c) rejection of the Settlement Offer coupled with a counteroffer (a "Counteroffer").

Information regarding Counteroffers is available in Section ___ of the ADR Procedures.

Please select your Permitted Response in the box below. YOU MUST RESPOND TO THE SETTLEMENT OFFER.

**Please select your Permitted Response in the box below. RESPONSE
YOU MUST RESPOND TO THE SETTLEMENT OFFER**

I/we agree to and accept the terms of the Settlement Offer.

OR

I/we reject the Settlement Offer.

OR

I/we reject the Settlement Offer. However, I/we will accept an allowed general unsecured claim against [Debtor] in the amount of \$____ in full satisfaction of the Designated Claim(s), to be satisfied in accordance with any plan of adjustment of debts confirmed and implemented in the [Debtor's] Title III case. AND RESPOND TO THE OTHER APPLICABLE ITEMS IN THE REMAINDER OF THE FORM.

SECTION [] OF THE ADR PROCEDURES SETS FORTH THE RESTRICTIONS ON COUNTEROFFERS. YOUR COUNTEROFFER MAY NOT INCLUDE UNKNOWN, UNLIQUIDATED OR SIMILAR AMOUNTS AND MAY NOT EXCEED THE AMOUNT OR IMPROVE THE PRIORITY SET FORTH IN YOUR MOST RECENT TIMELY FILED OR AMENDED PROOF OF CLAIM. YOU MAY NOT AMEND YOUR PROOF OF CLAIM SOLELY FOR THE PURPOSE OF PROPOSING A COUNTEROFFER OF A HIGHER AMOUNT OR A BETTER PRIORITY. IF YOU RETURN THIS FORM WITH A COUNTEROFFER THAT DOES NOT COMPLY WITH THE TERMS OF THE ADR PROCEDURES YOU WILL BE DEEMED TO HAVE

REJECTED THE SETTLEMENT OFFER AND THE LIQUIDATION OF YOUR DESIGNATED CLAIMS WILL ADVANCE TO EVALUATIVE

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**MEDIATION AS SET FORTH IN SECTION [] OF THE ADR
PROCEDURES: RESPONSE TO SETTLEMENT OFFER**

I/we agree to and accept the terms of the Settlement Offer.

(If you indicate that you accept the settlement offer, skip Section II, sign the form at the bottom, and return it to Prime Clerk. If you are not accepting the Settlement Offer, read each of the following items carefully and respond as applicable.)

OR

I/we reject the Settlement Offer.

OR

I/we reject the Settlement Offer. However, I/we make the following Counteroffer. I/we will accept an allowed general unsecured nonpriority claim against [Debtor] in the amount of \$ [] in full satisfaction of the Designated Claim(s), to be satisfied in accordance with any plan of adjustment of debts confirmed and implemented in the [Debtor's] Title III case.

Section [] of the ADR Procedures sets forth the restrictions on counteroffers. Your counteroffer may not include unknown, unliquidated or similar amounts and may not exceed the amount or improve the priority set forth in your most recent timely filed or amended proof of claim. You may not amend your proof of claim solely for the purpose of proposing a counteroffer of a higher amount or a better priority. If you return this form with a counteroffer that does not comply with the terms of the ADR Procedures, you will be deemed to have rejected the Settlement Offer, and the liquidation of your Designated Claim(s) will advance to evaluative mediation as set forth in Section [] of the ADR Procedures.

*In addition, if you are rejecting the Settlement Offer or making a counteroffer, to the extent that your most recent proof(s) of claim does not (a) state the correct amount of your Designated Claim(s); (b) expressly identify each and every cause of action and legal theory on which you base your Designated Claim(s); (c) include current, correct and complete contact information of your counsel or other representative; or (d) provide all documents on which you rely in support of your Designated Claim(s), you **MUST** send all such information and documentation with your Permitted Response to Prime Clerk.*

Section II: Binding Arbitration or Commonwealth Court Liquidation/Litigation.

A. CONSENT TO BINDING ARBITRATION

Please indicate below whether you consent to binding arbitration with respect to the Designated Claim(s):

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I/we **CONSENT** to Binding Arbitrationbinding arbitration. **I/we acknowledge that my/our consent, once given, cannot be withdrawn.**

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Note that if you elect to participate in binding arbitration, you will be required to pay [\$]. which is 50% of the cost for the arbitrator's services, as well as the fees of your own lawyer (if any) and any incidental costs that you incur.

OR

I/we **DO NOT CONSENT** to Binding Arbitrationbinding arbitration.

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*Note that binding arbitration will only take place if all parties, including [Debtor], agree to submit the dispute to arbitration. **I acknowledge that my/our consent, once given, cannot be withdrawn.***

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OR

B. CONSENT TO COMMONWEALTH COURT LIQUIDATION/LITIGATION

Please indicate below whether you consent to liquidationresolving the amount of your Designated Claim(s) before the Commonwealth's courts with respect to the Designated Claim(s):

I/we **CONSENT** to liquidationresolving the amount of my/our Designated Claim(s) before the Commonwealth'sCommonwealth courts.

OR

I/we **DO NOT CONSENT** to liquidationresolving the amount of my/our Designated Claim(s) before the Commonwealth'sCommonwealth courts.

Note that the litigation will only take place in the Commonwealth's Courts if all parties, including [Debtor], consent to litigate the amount of the Designated Claim(s) before the Commonwealth Courts.

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You cannot select both binding arbitration and Commonwealth court Litigation.

If you do not select either binding arbitration or Commonwealth court Litigation, the amount of your claim will be resolved in this Title III Court.

RETURN YOUR COMPLETED NOTICE AND ANY SUPPLEMENTAL INFORMATION IN A COUNTEROFFER TO [SPECIFY, INCLUDING ADDRESS OR OTHER TRANSMITTAL INFO] BY [DEADLINE].

[Signature of the Designated
~~Claimant's Authorized Representative~~
Claimant (if Claimant is not represented by an attorney)]

By: _____
[Printed Name]

**[N.B. – Additional Signature Lines
as Needed.]**

[Signature of the Designated
Claimant's Authorized Representative]
By: _____
[Printed Name]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

ALTERNATIVE DISPUTE RESOLUTION NOTICE

Service Date:

Designated Claimant(s):

Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

RESPONSE DEADLINE:

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¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA", and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the "Debtors") (Bankruptcy Case No. 19-BK-5532-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

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Overview of the ADR Process. By this Alternative Dispute Resolution Notice (“ADR Notice”), the [Debtor] hereby submits the Designated Claim(s) in the [Debtor’s] Title III case to alternative dispute resolution, pursuant to the procedures (the “ADR Procedures”) established by the *Order (A) Authorizing Alternative Dispute Resolution Procedures, (B) Approving Additional Form of Notice, and (C) Granting Related Relief*, entered by the United States District Court for the District of Puerto Rico (the “Title III Court”) on [DATE]. A copy of the ADR Procedures, which describe all of the methods that may be used to decide the stated amount of (or “liquidate”) your Designated Claim(s), is enclosed for your reference. **Please review the ADR Procedures carefully.**

A **Settlement Offer** is included in Section I below. You must respond to the Settlement Offer by either accepting, rejecting, or providing a counteroffer. If you and the [Debtor] do not reach an agreement, your claim will be sent to **evaluative mediation**, where further settlement efforts will be assisted by a Mediator. See Section [] of the ADR Procedures. You must state whether, if those efforts fail, you agree to proceed with your claim either through **binding arbitration**, or, if you qualify, **litigation in the Commonwealth courts** (as described below). See Sections [] of the ADR Procedures. If you do not choose either of those options, or if all parties do not agree to your chosen option, your claim will be resolved in this Title III Court under the procedures described in Section [] of the ADR Procedures.

SETTLEMENT OFFER. The [Debtor] has reviewed your Designated Claim(s) and, pursuant to the ADR Procedures, offers the amount(s) set forth in Section I below as a general unsecured nonpriority claim in full and final settlement of the stated amount of your Designated Claim(s) (the “Settlement Offer”). **Please note that the amount of the Settlement Offer and any amount you may agree to may NOT be the amount you will actually receive under a confirmed plan of adjustment. The treatment of your claim will be determined by the plan of adjustment. It is possible that the amount you will be paid under the plan on account of your claim will only be a fraction of the amount of your claim.**

You Must Respond to This Notice. You must return this ADR Notice [to Prime Clerk] with a Permitted Response (as defined below) to the Settlement Offer by no later than the Response Deadline listed above.

In addition, if you are rejecting the Settlement Offer or making a counteroffer, to the extent that your most recent proof(s) of claim does not (a) state the correct amount of your Designated Claim(s); (b) expressly identify each and every cause of action and legal theory on which you base your Designated Claim(s); (c) include current, correct and complete contact information of your counsel or other representative; or (d) provide all documents on which you rely in support of your Designated Claim(s), you **must** provide all such information and documentation with your Permitted Response to this Notice.

If you do not return this ADR Notice with the requested information and a Permitted Response to the Settlement Offer [to Prime Clerk] so that it is received by the deadline to respond, you will be deemed to have **rejected** the Settlement Offer and the liquidation of your Designated Claim(s) will advance to the evaluative mediation phase of the ADR Procedures, as explained in Section [__] of the ADR Procedures.

Binding Arbitration or Commonwealth Court Litigation. If you do not accept the Settlement Offer, you are required to state in Section II below whether you consent to binding arbitration of your Designated Claim(s) **or** to having the amount of your Designated Claim resolved by litigation in the Commonwealth Courts. You cannot consent to both. If you do not consent to either, your claim will be resolved in this Title III Court.

Binding Arbitration

The Debtor(s) [have/have not] consented to submit your Designated Claim(s) listed above to binding arbitration. In binding arbitration, the arbitrator (rather than a court) will decide the stated amount of your claim. **Please note that if you elect to participate in binding arbitration, you will be required to pay[\$__], which is 50% of the cost for the arbitrator's services, as well as the fees of your own lawyer (if any) and any incidental costs that you incur.**

You are required to indicate in Section II below whether you agree to binding arbitration. Once you have consented to participate in binding arbitration, your **consent to binding arbitration cannot be withdrawn.** In addition, if you have previously consented in writing, either before or after [Debtor]'s Title III case was filed, to binding arbitration as a means to resolve your claims(s) against [Debtor], any attempt to opt out of binding arbitration in response to this Notice shall be ineffective.

If you do not elect to participate in binding arbitration, you may instead elect to have the stated amount of your claim determined by the Commonwealth courts.

Commonwealth Court Litigation

The Debtor(s) [have/have not] consented to have the stated amount of your claim determined by the Commonwealth courts, subject to the restrictions set forth in the ADR Procedures. You are required to indicate in Section II below whether you agree to have your claim amount determined by the Commonwealth courts.

If you indicate both consent to binding arbitration and consent to resolving the amount of your claim before the Commonwealth courts, you will be deemed to have elected

binding arbitration. If you do not choose either, you will be deemed to have elected to proceed before this Title III Court.

Section I: Settlement Offer.

[Debtor] offers you an allowed general unsecured nonpriority claim in the amount of [\$____] against [Debtor] in full satisfaction of your Designated Claim(s), to be satisfied in accordance with any plan of adjustment of debts confirmed and implemented in [Debtor's] Title III case.

The only permitted responses ("**Permitted Responses**") to the Settlement Offer are:

- (a) acceptance of the Settlement Offer,
- (b) rejection of the Settlement Offer, or
- (c) rejection of the Settlement Offer coupled with a counteroffer (a "**Counteroffer**").

Information regarding Counteroffers is available in Section __ of the ADR Procedures.

Please select your Permitted Response in the box below.

YOU MUST RESPOND TO THE SETTLEMENT OFFER AND RESPOND TO THE OTHER APPLICABLE ITEMS IN THE REMAINDER OF THE FORM.

RESPONSE TO SETTLEMENT OFFER

 I/we agree to and accept the terms of the Settlement Offer.

(If you indicate that you accept the settlement offer, skip Section II, sign the form at the bottom, and return it to Prime Clerk. If you are not accepting the Settlement Offer, read each of the following items carefully and respond as applicable.)

OR

 I/we reject the Settlement Offer.

OR

 I/we reject the Settlement Offer. However, I/we make the following Counteroffer. I/we will accept an allowed general unsecured nonpriority claim against [Debtor] in the amount of \$____ in full satisfaction of the Designated Claim(s), to be satisfied in accordance with any plan of adjustment of debts confirmed and implemented in the [Debtor's] Title III case.

Section [__] of the ADR Procedures sets forth the restrictions on counteroffers. Your counteroffer may not include unknown, unliquidated or similar amounts and may not exceed the amount or improve the priority set forth in your most recent timely filed or amended proof of claim. You may not amend your proof of claim solely for the purpose of proposing a counteroffer of a higher amount or a better priority. If you return this form with a counteroffer that does not comply with the terms of the ADR Procedures, you will be

deemed to have rejected the Settlement Offer, and the liquidation of your Designated Claim(s) will advance to evaluative mediation as set forth in Section [] of the ADR Procedures.

*In addition, if you are rejecting the Settlement Offer or making a counteroffer, to the extent that your most recent proof(s) of claim does not (a) state the correct amount of your Designated Claim(s); (b) expressly identify each and every cause of action and legal theory on which you base your Designated Claim(s); (c) include current, correct and complete contact information of your counsel or other representative; or (d) provide all documents on which you rely in support of your Designated Claim(s), you **MUST** send all such information and documentation with your Permitted Response to Prime Clerk.*

Section II: Binding Arbitration or Commonwealth Court Litigation.

A. CONSENT TO BINDING ARBITRATION

Please indicate below whether you consent to binding arbitration with respect to the Designated Claim(s):

I/we **CONSENT** to binding arbitration. **I/we acknowledge that my/our consent, once given, cannot be withdrawn.**

Note that if you elect to participate in binding arbitration, you will be required to pay [\$____], which is 50% of the cost for the arbitrator's services, as well as the fees of your own lawyer (if any) and any incidental costs that you incur.

OR

I/we **DO NOT CONSENT** to binding arbitration.

Note that binding arbitration will only take place if all parties, including [Debtor], agree to submit the dispute to arbitration.

OR

B. CONSENT TO COMMONWEALTH COURT LITIGATION

Please indicate below whether you consent to resolving the amount of your Designated Claim(s) before the Commonwealth's courts with respect to the Designated Claim(s):

I/we **CONSENT** to resolving the amount of my/our Designated Claim(s) before the Commonwealth courts.

OR

____ I/we **DO NOT CONSENT** to resolving the amount of my/our Designated Claim(s) before the Commonwealth courts.

Note that the litigation will only take place in the Commonwealth's Courts if all parties, including [Debtor], consent to litigate the amount of the Designated Claim(s) before the Commonwealth Courts.

You cannot select both binding arbitration and Commonwealth court Litigation.

If you do not select either binding arbitration or Commonwealth court Litigation, the amount of your claim will be resolved in this Title III Court.

RETURN YOUR COMPLETED NOTICE AND ANY SUPPLEMENTAL INFORMATION IN A COUNTEROFFER TO [SPECIFY, INCLUDING ADDRESS OR OTHER TRANSMITTAL INFO] BY [DEADLINE].

[Signature of the Designated Claimant (if Claimant is not represented by an attorney)]

By: _____
[Printed Name]

[N.B. – Additional Signature Lines as Needed.]

[Signature of the Designated Claimant's Authorized Representative]
By: _____
[Printed Name]